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BEFORE THE
PUBLIC UTILITIES COMMISSION
OF THE
STATE OF CALIFORNIA

A1603011

Application of Trans Bay Cable LLC
(U934-E) for Order Exempting Securities Issuance
Transactions from Commission Authorization
Pursuant to Public Utilities Code Sections 829 and
853.

Application No. _____

**APPLICATION OF TRANS BAY CABLE LLC FOR ORDER
EXEMPTING SECURITIES ISSUANCE TRANSACTIONS
FROM COMMISSION AUTHORIZATION**

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March 22, 2016

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**APPLICATION OF TRANS BAY CABLE
LLC FOR ORDER EXEMPTING
SECURITIES ISSUANCE TRANSACTIONS
FROM COMMISSION AUTHORIZATION**

Pursuant to Sections 829 and 853 of the California Public Utilities Code (“PUC”), and in accordance with Article 2 of the California Public Utilities Commission’s (“Commission”) Rules of Practice and Procedure (“Rules”), Trans Bay Cable LLC (“TBC” or the “Applicant”) respectfully requests that the Commission issue an exemption from Sections 816 through 830 and 851 of the PUC.

TBC is a transmission-only utility (a) whose rates, and terms and conditions of service are subject to the exclusive jurisdiction of the Federal Energy Regulatory Commission (“FERC”), and (b) that has no retail California customers nor any Commission-established rates.

TBC requests that the Commission issue an Order which:

- (1) Exempts TBC from the requirements of PUC Sections 816 through 830, and

- (2) Exempts TBC from the transfer and encumbrance requirements of PUC Section 851 whenever such transfer or encumbrance serves to secure debt exempted from PUC Sections 816 through 830 by said Order.¹

These requested exemptions will be referred to herein collectively as the “Security Issuance Authorization Exemptions.”

The basic reason for the request is straightforward: given TBC’s FERC jurisdictional status (including FERC jurisdiction over TBC’s rates and financings) and its small size and lack of retail California customers, application of PUC Sections 816-830 and 851 (i) does not advance the protection of the public interest, (ii) needlessly consumes the Commission’s time and resources and (iii) increases TBC’s cost of service.

While TBC’s rates, and terms and conditions of service are subject to the exclusive jurisdiction of FERC;² it has also been held to be a public utility subject to the Commission’s jurisdiction.³ Accordingly, in 2013, TBC filed an Application with the Commission, pursuant to PUC Sections 816 *et seq.* requesting authorization to incur indebtedness not to exceed \$5,000,000.⁴ The Commission approved that request.⁵ In doing so, the Commission provided guidance important to the current request.

First, the Commission observed:

“TBC Cable LLC (TBC) is an energy transmission company under the jurisdiction of this Commission and the Federal Energy Regulatory Commission (FERC) that operates in the San Francisco Bay Area. TBC operates as a public utility in the Commission’s jurisdiction and is subject to Commission authority. TBC is also a FERC-regulated utility and its rates are subject to FERC’s exclusive jurisdiction.”⁶

Second, the Commission went on to notify TBC:

¹ TBC is not seeking exemption from the requirements of PUC Section 851 for purposes other than financing. The limited exemption requested is modeled on that granted in Decision 00-06-064, Ordering Paragraph 2.

² Decision 14-01-008, page 1.

³ *Id.*

⁴ Application 13-10-018.

⁵ Decision 14-01-008.

⁶ Decision 14-01-008, p. 1.

“We place TBC on notice that the reasonableness of any resulting interest rate and cost of money arising from the issuance of securities as well as capital structures, is normally subject to review in the appropriate proceeding at FERC. Therefore, we will not make a finding in this decision of the reasonableness of the projected capital ratios for ratemaking purposes or the appropriate cost of money.”⁷

Given the Commission’s decision, and the law and facts applicable to TBC, Commission review and authorization of TBC’s securities issuance transactions pursuant to Sections 818-830 and 851 of the PUC is “not necessary in the public interest.” Indeed, it needlessly increases the cost of service and would be an inefficient use of Commission resources.

TBC requests expedited action by the Commission on this Application, with an Order sixty (60) days from its filing. TBC’s current outstanding debt matures on June 30, 2017 and TBC must issue refinancing debt prior to that date. The current interest rate environment is favorable and TBC believes it can issue refinancing debt at attractively low interest rates which would have long term benefits. However the current favorable interest rate environment is not expected to continue through June of 2017, and TBC believes it is prudent to place its refinance debt well prior to that time. Accordingly, TBC is requesting prompt action by the Commission in approving this Application so that TBC will be able to expeditiously negotiate refinancing debt that will lock in current favorable long-term interest rates and thereby, minimize TBC’s long-term interest costs.

I. BACKGROUND

TBC is the owner and operator of a fifty-three mile, approximately 400 megawatt High Voltage Direct Current transmission line and associated facilities (the “Project”), which provides direct electric transmission between the Pacific Gas and Electric Company’s (“PG&E”) Pittsburg Substation located at a site adjacent to the City of Pittsburg, California, in Contra Costa

⁷ *Id.*, page 5.

County and PG&E's Potrero Substation within the City and County of San Francisco. The Project's commissioning enabled the retirement of the only "in city" generation at Potrero and thus eliminated the environmental impact of that generation and increased overall system reliability by relieving grid congestion.

TBC has been held to be a "public utility" (PUC Section 216(a)) subject to Commission jurisdiction.⁸ However, TBC is also a FERC-regulated transmission-only company, and FERC has exclusive jurisdiction over TBC's rates and terms and conditions of service.⁹ In addition, the Project is under the operational control of the California Independent System Operator Corporation ("CAISO"), which recovers its transmission service rates through its own FERC-approved tariff. TBC has no retail California customers, and TBC recovers its entire revenue requirement pursuant to its FERC-jurisdictional Transmission Owner Tariff ("TO Tariff"). These FERC-established rates are paid through the Transmission Access Charge that the CAISO charges to scheduling coordinators that utilize the transmission system which is under FERC's jurisdiction.

TBC's TO Tariff and transmission revenue requirement have been reviewed and approved by FERC in two previous rate cases¹⁰ in which all interested parties, including the Commission, had an opportunity to participate. *Trans Bay Cable LLC*, 149 FERC ¶ 61,081 (2014); *Trans Bay Cable LLC*, 137 FERC ¶ 61,258 (2011). Future changes in TBC's rates and terms and conditions are, likewise, subject to FERC's exclusive jurisdiction, pursuant to Federal Power Act ("FPA")¹¹ Section 205¹² (changes proposed by TBC) and FPA Section 206¹³ (changes

⁸ *Id.*, page 1.

⁹ *Id.*

¹⁰ FERC Docket No. ER13-2412 and Docket No. ER10-116.

¹¹ 16 USC §§ 791a *et seq.*

¹² 16 USC § 824d.

¹³ 16 USC § 824e.

proposed by FERC, the Commission or others). These FERC rate cases include an opportunity for FERC to review TBC's cost of debt, and for all parties to challenge the reasonableness and prudence of TBC's securities transactions, including any debt issuances and encumbrances.

In addition to FERC's exclusive jurisdiction over TBC's rates, TBC is also subject to FPA Section 204,¹⁴ concerning issuance of securities and incurrence of debt, and applicable FERC regulations.¹⁵ As a result, when TBC seeks to refinance its debt, it will be required to comply with FPA Section 204 and make the applicable application.

II. APPLICATION OF PUC CODE SECTIONS 816 – 830 AND 851 TO TBC IS NOT NECESSARY IN THE PUBLIC INTEREST

The Commission has clear statutory authority to exempt a public utility from the financing application provisions of PUC Sections 816 – 830 and 851, and has done so on a number of occasions.¹⁶

PUC Section 829(c) states:

“(c) The commission may from time to time by order or rule, and subject to such terms and conditions as may be prescribed therein, exempt any public utility or class of public utility from this article if it finds that the application thereof to such public utility or class of public utility is not necessary in the public interest.”¹⁷

Similarly, PUC Section 853(b) states:

“(b) The commission may from time to time by order or rule, and subject to those terms and conditions as may be prescribed therein, exempt any public utility or class of public utility from this article if it finds that the application thereof with respect to the public utility or class of public utility is not

¹⁴ 16 U.S.C. § 824c.

¹⁵ 18 C.F.R. Part 34 (2013).

¹⁶ *See, e.g.*, Decision 10-10-001, Decision 00-06-004, Decision 00-03-049, Decision 97-01-215, Decision 88-04-062, Decision 84-06-032.

¹⁷ Section 818 of the PUC provides, in relevant part:

No public utility may issue stocks and stock certificates, or other evidence of interest or ownership, or bonds, notes, or other evidence of indebtedness payable at periods of more than 12 months after the date thereof unless, in addition to the other requirements of law it shall first have secured from the commission an order authorizing the issue....¹⁷

necessary in the public interest. The commission may establish rules or impose requirements deemed necessary to protect the interest of the customers or subscribers of the public utility or class of public utility exempted under this subdivision. These rules or requirements may include, but are not limited to, notification of a proposed sale or transfer of assets or stock and provision for refunds or credits to customers or subscribers.”¹⁸

The Commission has noted that the rationale for its regulation of securities transactions by regulated utilities “is to ensure that a monopoly carrier or public utility does not engage in imprudent financial transactions to the point where it is unable to provide public service to its captive customer base.” (Decision 87-10-035.) As articulated above, the Commission has previously declined to assess the reasonableness of the terms of TBC’s financial transactions because in the Commission’s determination such review was more suitable in the appropriate proceeding at FERC. In addition, TBC has no captive customer base because it has no retail customers. Based on the logic discussed above, Commission review of TBC’s Security Issuances does not advance the purpose of protecting the public interest or insuring service to the public since TBC has no retail customers, and needlessly consumes Commission resources.

TBC requests that the Commission exercise its authority and grant the requested Security Issuance Authorization Exemptions given that TBC has no retail customers in California, that its rates are subject to FERC’s exclusive jurisdiction and that TBC is subject to the requirements for federal approval of securities issuance transactions under various provisions of the FPA, which include review and approval of the types of transactions at issue in this request for exemption.

a. *TBC Has No Retail Customers in California.*

Although its operations are in California, TBC has no retail customers in California. In fact, it has no retail customers at all. One hundred percent of its revenue is derived from service

¹⁸ Section 851 of the PUC provides in part:

No public utility...shall sell, lease, assign, mortgage, or otherwise dispose of or encumber the whole or any part of its...line, plant, system, or other property necessary or useful in the performance of its duties to the public,... without first having secured from the commission an order authorizing it so to do. ¹⁸

provided under its FERC tariff, and TBC has no operating revenue of any kind from Commission-jurisdictional services.

b. *TBC's Rates are Subject to FERC's Exclusive Jurisdiction.*

As the Commission has previously stated, TBC's "rates are subject to FERC's exclusive jurisdiction." (emphasis added)¹⁹ TBC's rates are subject to review by FERC under Sections 205 and 206 of the FPA, in which the prudence of securities transactions are subject to express review in establishing rates. The Commission staff has actively participated in these proceedings at FERC, and therefore the Commission has input concerning the reasonableness of the transactions at issue.

c. *TBC's Securities Issuances and Their Reasonableness Are Subject to FERC Review and Approval*

TBC is subject to the requirements of FPA Section 204. As a result, FERC reviews (subject to limited exceptions)²⁰ securities issuance, and places specific financing requirements on TBC.²¹ FPA Section 204 applications are publicly filed, and subject to intervention and protest by interested parties. In addition, FERC proceedings have liberal intervention rules, where a movant need only show (i) a right to participate, (ii) an interest directly affected by the outcome of the proceeding or (iii) that movant's participation is in the public interest.²² FERC has stated that timely motions to intervene are automatically accepted unless protested within 15 days of being filed.²³

¹⁹ Decision 14-01-008, p. 1.

²⁰ See 18 C.F.R §34.1(c). One such exemption applies if a utility receives approval for issuance of securities by a state agency in which the utility is both organized and operating. TBC does not qualify for this exemption because it is organized under the laws of the state of Delaware, not California.

²¹ See, e.g., 18 C.F.R §34.2.

²² See 18 C.F.R §385.214(b)

²³ See <http://www.ferc.gov/resources/faqs/active-int.asp> at No. 8.

Consistent with FPA Section 204, the Commission has stated that the reasonableness of TBC's interest rates and cost of money arising from the issuance of securities, as well as capital structures, are subject to proceedings at FERC.²⁴

d. *Requiring TBC to File Applications In Accordance With PUC sections 818 – 830 and 851 Serves No Useful Purpose, Increases Costs and Needlessly Consumes Commission Resources*

Requiring TBC to file applications in accordance with PUC Sections 818 – 830 and 851 is not necessary in the public interest. This is because: (1) TBC's rates, terms and conditions of service and securities issuances are all subject to FERC regulation; (2) TBC is not a dominant electric transmission provider and has a minor and indirect impact on retail rates; (3) duplicative regulation increases costs to TBC's customer and is an inefficient use of the Commission's resources.

The Commission has previously found that security issuance authorizations are “not necessary in the public interest” where a utility's securities issuances are subject to review and approval by other commissions with more substantial regulatory authority over those utilities.²⁵ As in those cases, Commission approval of TBC's securities transactions is “not necessary in the public interest” because TBC is already subject to such regulation by the FERC, the entity that has exclusive jurisdiction for setting the rates, terms and conditions of the service TBC provides. The “ongoing regulation” by FERC “effectively ensures that [TBC] will not engage in imprudent financial transactions that would impede its public service.”²⁶ In fact, FERC regulation of matters within its exclusive jurisdiction would preempt state regulation.²⁷

²⁴ Decision 14-01-008, page 5.

²⁵ See, e.g. Decision 00-06-004 and Decision 00-03-049 (in both cases, exemptions from the securities requirements were granted where the utility's securities issuance were subject to review and approval by other commissions).

²⁶ Decision 00-06-004 at p. 4.

²⁷ See, e.g., *FERC v. Elec. Power Supply Ass'n*, 136 S. Ct. 760 (2016).

TBC also qualifies for Security Insurance Authorization Exemptions on other grounds accepted by the Commission. TBC's facilities are only a small portion of the facilities under the control of the CAISO, and an even smaller fraction of California's total transmission system. However viewed, TBC is not a dominant participant in the transmission market. Similarly, TBC represents only a *de minimis* fraction of electric transmission costs in California.

The Commission has considered such factors as regulation by other jurisdictions, lack of market power and *de minimis* impact as a basis for granting exemptions from PUC Sections 818-830 and 851. *See, e.g.*, Decision 10-10-001 (exemptions from PUC Section 818 and 851 granted to "new entrant" gas storage provider without market power); Decision 00-06-004 (exemptions from PUC Sections 816 through 830 and Section 851 granted so long as such transactions are subject to other state regulatory commissions); Decision 00-03-049 (exemptions from PUC Sections 816 through 830 and Section 851 granted provided that such transactions are subject to regulation by the Public Utilities Commission of Nevada); Decision 97-01-015 (exempting non-dominant interchange carriers from PUC Sections 816-830 and 851); Decision 88-04-062 (exempting utility receiving 2.5% of its total revenues from 32,500 retail customers in California from provisions of PUC relating to securities transactions and encumbrance of utility property); Decision 84-06-032 (exemptions from PUC Sections 816-830 granted for a two year period with leave to request an extension for common carrier with *de minimis* intrastate commerce compared to its interstate commerce).

Requiring TBC to file applications with the Commission would be unnecessary and duplicative and increase TBC's costs, which in turn would likely be reflected in rates to the CAISO. These costs include not only the direct costs of preparing and filing the applications but

also the difficult to quantify but potentially greater costs of complicating and delaying agreements with financial institutions with respect to debt issuances.

In addition, Commission review of financing subject to FERC review would be an inefficient use of Commission resources. In the decision adopting the new Financing Rules and issuing GO 24-C, the Commission explicitly recognized that where the reasonableness of cost of debt is reviewed as part of another proceeding (in that case, a utility's cost of capital proceedings), it would be an unnecessary duplication of effort and "result in more work for the Commission and all parties involved" to require an additional detailed reasonableness review and cost benefit study as part of a utility's request for financing authority.²⁸ Although the Commission was referring to the elimination of a specific requirement in the Financing Rules, the same rationale is applicable here. Because TBC's cost of debt and securities issuances are being reviewed by FERC, a separate review by the Commission would be unnecessarily duplicative, and therefore would not be necessary in the public interest.

III. PROCEDURAL AND STATUTORY REQUIREMENTS

Pursuant to Article 2 of the Commission Rules of Practice, the Applicant provides the following information concerning this application.

(1) Statutory Authority

TBC makes this Application pursuant to Sections 829 and 853 of the PUC, as well as applicable prior decisions, orders, and resolutions of the Commission and the Commission's Rules of Practice.

²⁸ Decision 12-06-015, at p. 28.

(2) **Applicant's Legal Name, Location of Principal Place of Business**

Applicant's exact legal name is Trans Bay Cable LLC with the location of its principal place of business at One Letterman Drive, Building C, 5th Floor, San Francisco, California 94129.

Applicant is a Delaware limited liability company and is a public utility authorized to do business in the State of California.

(3) **Correspondence**

Applicant requests that all correspondence or communications in connection with this Application and notices, orders and other papers be addressed and served on the following persons:

Sean O'Reilly

Chief Operating Officer
Trans Bay Cable LLC
One Letterman Dr. Bldg. C, 5th Fl.
San Francisco, CA 94129
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Jay Elwell

Treasurer
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Phone: (415) 291-2300
Facsimile: (415) 651-9500
Email: jay.elwell@steelriverpartners.com

With copies to:

Lenneal Gardner

Corporate Counsel
Trans Bay Cable LLC
One Letterman Dr. Bldg. C, 5th Fl.
San Francisco, CA 94129
Phone: (415) 291-2300
Facsimile: (415) 651-9500
Email: lenneal.gardner@transbaycable.com

(4) Articles of Organization

A copy of TBC's Certificate of Formation in the State of Delaware and Application for Registration filed with the Secretary of State of California on February 26, 2005 was previously filed with the Commission on October 29, 2013 in connection with A.13-10-018, and are incorporated herein by reference.

(5) Proposed Category of Proceeding

TBC proposes that the Commission categorize this Application as a ratesetting proceeding. Although rates are not at issue in this proceeding, the definitions of "adjudicatory" or "quasi-legislative" proceedings set forth in Rules 1.3(a) and 1.3(d) clearly do not apply to this Application. Rule 7.1(e)(2) specifies that when a proceeding does not fit clearly into any other category, it should be conducted under the rules for ratesetting proceeding, and Rule 1.3(e) defines ratesetting proceedings to include "[o]ther proceedings" that do not fit clearly into any other category.

(6) No Need for Hearing and Procedural Schedule

TBC believes that no hearing will be necessary for this proceeding, and respectfully requests that the Commission find that no hearing is necessary in connection with this Application. There are no factual disputes requiring resolution, and all relevant facts are presented in this Application.²⁹ The only issue to be considered is whether the Commission should grant the Security Issuance Authorization Exemptions set forth herein. TBC has explained to the Commission why the Commission should grant the Security Issuance Authorization Exemptions pursuant to the applicable statutes and prior precedent. Applicant is unaware of any specific objections any party might raise to any of these issues. As a result, Applicant

²⁹ See, e.g., D.08-07-011.

respectfully requests that the Commission proceed ex parte in this Application because public interest does not require a hearing on the transaction for which Applicant seeks authority to pursue. TBC believes that it is in the best interests of all concerned for the Commission to proceed expeditiously with this matter since the current market is favorable for access to historically low interest rates on long-term debt.

In compliance with Commission Rule 2.1(c), TBC provides the following proposed schedule for the Commission's consideration:

30 days After Application Filed	Protests Due
60 days After Application Filed	Commission Decision

(7) Description of Property

A general description of Applicant's property and its field of operation, the original cost of its property and equipment, by class, and the cost thereof to Applicant and the depreciation and amortization reserves applicable to such property and equipment, by class, are contained in TBC's FERC Form 1 reports, which have been submitted to the Commission. Since the inception of TBC, all of its activities have been solely associated with the development, construction, and operation of a 400 MW HVDC transmission line that connects a converter station in the City of Pittsburgh to a similar converter station in the City and County of San Francisco (i.e., the Project).

Utility plant consists of assets related to the Project and those assets include direct costs and indirect costs that were incurred during the construction phase. Indirect costs capitalized as utility plant consist of real property lease expenditures, intangible assets, property tax expenditures, asset retirement obligations, other overhead costs, and allowance for funds used during construction. Utility plant also includes easements, permits, interconnection rights, and

other costs. A statement of account in reference to the aforementioned is attached to this Application as Attachment A.

(8) Financial Statement

Financial Statements in accordance with Rule 2.3, including TBC's latest available balance sheet as of September 30, 2015 and its income statement for nine months ending September 30, 2015 are attached hereto as Attachment B.

(9) Service

This Application is being served on the parties identified in the attached Certificate of Service.

IV. ATTACHMENTS

Attachments A and B, described below, are a part of and incorporated into this Application:

- (1) Attachment A: A copy of TBC's statement of account of the original cost and depreciation reserve attributable to its property and equipment.
- (2) Attachment B: A copy of TBC's most recent filed balance sheet and income statement.

V. REQUESTED AUTHORIZATIONS

WHEREFORE, Applicant respectfully requests that the Commission, sixty (60) days from the filing of this Application, issue an Order herein, which:

- (1) Exempts TBC from the requirements of PUC Sections 816 through 830, and,

- (2) Exempts TBC from the transfer and encumbrance requirements of PUC Section 851 whenever such transfer of encumbrance serves to secure debt exempted from PUC Sections 816 through 830 by said Order.

Executed in San Francisco, California, this 22nd day of March, 2016.

Respectfully submitted,

TRANS BAY CABLE LLC

/s/ Jay Elwell

Jay Elwell

Treasurer

/s/ Lenneal K. Gardner

Lenneal K. Gardner

Corporate Counsel

One Letterman Dr., Bldg. C, 5th Fl.

San Francisco, CA 94129

Phone: (415) 291-2300

Facsimile: (415) 651-9500

VERIFICATION

I, Jay Elwell, am the Treasurer for Trans Bay Cable LLC, the Applicant in the foregoing Application. I have read said Application and know the contents thereof. I certify the same is true of my own knowledge, except as to the matters which are therein stated upon information or belief, and that as to those matters, I believe them to be true.

I certify under penalty of perjury that the foregoing is true and correct.

Executed in San Francisco, California, on March 22, 2016.

/s/ Jay Elwell
Jay Elwell
Treasurer
TRANS BAY CABLE LLC
One Letterman Dr., Bldg. C, 5th Fl.
San Francisco, CA 94129

ATTACHMENT A

Utility Plant Details

Utility Plant Class	September 30, 2015	December 31, 2014
Underground Conductors	\$ 182,434,346	\$ 182,434,346
Station Equipment	183,533,990	183,533,990
Land Improvements	63,020,239	63,020,239
Structure	59,581,249	59,581,249
Permits & Intangible Plant	31,521,812	31,521,812
Underground Conduit	15,240,444	15,240,444
Asset Retirement Obligation	8,191,348	8,191,348
General Plant	2,278,162	2,314,212
Total Utility Plant	545,801,590	545,837,640
Accumulated Depreciation & Amortization	(81,194,060)	(70,629,568)
CWIP	28,436,546	16,481,495
Utility Plant, Net	\$ 493,044,076	\$ 491,689,567

Accumulated Depreciation & Amortization Details

Utility Plant Class	September 30, 2015	December 31, 2014
Underground Conductors	\$ 26,470,870	\$ 23,152,313
Station Equipment	27,363,909	23,567,232
Land Improvements	9,383,072	8,241,902
Structure	8,700,622	7,618,020
Permits & Intangible Plant	4,616,613	4,043,961
Underground Conduit	2,227,108	1,950,215
Asset Retirement Obligation	675,350	515,245
General Plant	1,756,516	1,540,680
Total Accumulated Depreciation & Amortization	\$ 81,194,060	\$ 70,629,568

ATTACHMENT B

Comparative Balance Sheet

	September 30, 2015	December 31, 2014
Utility Plant		
Utility Plant (101-106, 114)	\$ 545,801,590	\$ 545,837,640
Construction Work in Progress (107)	28,436,546	16,481,495
Total Utility Plant	574,238,136	562,319,135
(Less) Accum. Prov. for Depr. Amort. Depl. (108, 110, 111, 115)	81,194,060	70,629,568
Net Utility Plant	493,044,076	491,689,567
Current & Accrued Assets		
Cash (131)	3,487,939	9,446,794
Special Deposits (132-134)	2,665,771	2,653,588
Customer Accounts Receivable (142)	11,126,983	11,021,164
Other Accounts Receivable (143)	1,368,166	6,881,227
Accounts Receivable from Assoc. Companies (146)	2,137	14,027
Plant Materials and Operating Supplies (154) 227	15,855,660	15,058,531
Prepayments (165) 558,164 468,238	2,456,238	6,406,018
Miscellaneous Current and Accrued Assets (174)	1,495,993	1,495,993
Total Current & Accrued Assets	38,458,887	52,977,342
Deferred Debits		
Unamortized Debt Expenses (181)	1,611,182	2,300,754
Extraordinary Property Losses (182.1)	2,600,144	-
Other Regulatory Assets (182.3)	54,540,404	56,007,740
Accumulated Deferred Income Taxes (190) 234	28,087,745	28,087,745
Total Deferred Debits	86,839,475	86,396,239
Total Assets	\$ 618,342,438	\$ 631,063,148
Proprietary Capital		
Other Paid-In Capital (208-211) 253	68,231,482	99,652,063
Retained Earnings (215, 215.1, 216) 118-119	188,390,548	154,497,662
Total Proprietary Capital	256,622,030	254,149,725
Long-Term Debt		
Advances from Associated Companies (223) 256-257	181,661,829	188,035,064
Other Long-Term Debt (224) 256-257	16,315,260	15,807,643
Total Long-Term Debt	197,977,089	203,842,707
Other Noncurrent Liabilities		
Accumulated Provision for Pensions and Benefits (228.3)	41,060	36,315
Long-Term Portion of Derivative Instrument Liabilities	29,391,359	32,244,331
Asset Retirement Obligations (230)	10,061,134	9,750,002
Total Other Noncurrent Liabilities	39,493,553	42,030,648
Current & Accrued Liabilities		
Accounts Payable (232)	-	10,480
Notes Payable to Associated Companies (233)	8,494,679	8,477,114
Taxes Accrued (236) 262-263	23,310,297	20,264,009
Interest Accrued (237)	121	61,194
Miscellaneous Current and Accrued Liabilities (242)	6,739,524	16,528,577
Derivative Instrument Liabilities (244)	33,428,990	36,456,981
(Less) Long-Term Portion of Derivative Instrument Liabilities	29,391,359	32,244,331
Total Current & Accrued Liabilities	42,582,252	49,554,024
Deferred Credits		
Other Deferred Credits (253) 269	1,647,831	1,466,361
Accum. Deferred Income Taxes-Other Property (282)	70,750,428	70,750,428
Accum. Deferred Income Taxes-Other (283)	9,269,255	9,269,255
Total Deferred Credits	81,667,514	81,486,044
Total Liabilities & Stockholder Equity	\$ 618,342,438	\$ 631,063,148

Statement Of Income

	September 30, 2015	December 31, 2014
Utility Operating Income		
Operating Revenues (400)	\$ 98,081,047	\$ 131,077,863
Operating Expenses		
Operation Expenses (401)	16,971,180	23,104,403
Maintenance Expenses (402)	530,632	827,235
Depreciation Expense (403)	9,830,709	13,133,076
Depreciation Expense for Asset Retirement Costs (403.1)	160,106	97,972
Amort. & Depl. of Utility Plant (404-405)	609,728	814,920
Regulatory Debits (407.3)	(507,617)	(23,525)
Taxes Other Than Income Taxes (408.1)	5,414,647	6,748,628
Income Taxes - Federal (409.1)	18,253,536	15,989,743
Other (409.1) - State Income Taxes	5,069,351	4,286,706
Provision for Deferred Income Taxes (410.1)	-	9,686,549
Accretion Expense (411.10)	311,133	353,900
Total Utility Operating Expenses	56,643,405	75,019,607
Net Utility Operating Income	\$ 41,437,642	\$ 56,058,256
Other Income		
Interest and Dividend Income (419)	5,287	6,962
Allowance for Other Funds Used During Construction (419.1)	890,733	323,735
Gain on Disposition of Property (421.1)	366	-
Total Other Income	896,386	330,697
Other Income Deductions		
Donations (426.1)	-	11,500
Other Deductions (426.5)	(2,382,548)	(1,215,305)
Total Other Income Deductions	(2,382,548)	(1,203,805)
Taxes On Other Income & Deductions		
(Less) Provision for Deferred Income Taxes-Cr. (411.2)	-	23,319,603
Total Taxes On Other Income & Deductions	-	23,319,603
Net Other Income & Deductions	\$ 3,278,934	\$ 24,854,105
Interest Charges		
Amort. of Debt Disc. and Expense (428)	690,226	901,229
Interest on Debt to Assoc. Companies (430)	10,450,784	14,515,661
Other Interest Expense (431)	90,737	77,886
(Less) Allowance for Borrowed Funds Used During Construction-Cr. (432)	408,057	165,442
Net Interest Charges	10,823,690	15,329,334
Net Income	\$ 33,892,886	\$ 65,583,027